



MANITOBA CONNECTS

Building a new rural Manitoba economic development strategy

Prepared for
Minister Rosann Wowchuk
Manitoba Agriculture, Food and Rural Initiatives

BY SERBY CONSULTING

December, 2008





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MANITOBA CONNECTS

BUILDING A NEW RURAL MANITOBA ECONOMIC DEVELOPMENT STRATEGY

INTRODUCTION

Manitoba Agriculture, Food and Rural Initiatives (MAFRI) has identified a number of economic development players in Manitoba with funding or ties to the federal, provincial, local and aboriginal governments. The level and depth of service provided to communities and entrepreneurs varies from community to community and region to region. This is also true of the level of cooperation and integration of services.

"Manitobans have spoken about the need to better coordinate the services provided to entrepreneurs and communities in Manitoba to achieve greater results," Minister Rosann Wowchuk stated in her letter of invitation to participants in this process.

"We want to examine the current system to determine what is and isn't working, the gaps that exist in the current system and ideas to better coordinate existing resources that support economic development."

Serby Consulting was retained to consult with stakeholders about how Manitoba can achieve more effective economic development support for clients including the communities and entrepreneurs in rural and northern Manitoba.

TERMS OF REFERENCE

Following are the terms of reference for the work conducted by Serby Consulting:

Examination and Evaluation of Economic Development Delivery System

- Meetings with Manitoba Agriculture, Food and Rural Initiatives and other groups of stakeholders to discuss the current model, gaps in service for communities and entrepreneurs, and options for coordinating services;
- Analysis of the results of consultations with stakeholders.

Rural Economic Development Delivery Model Development

- Review and analysis of relevant documents and processes on economic development delivery in Manitoba;
- Review and analysis in other Canadian and foreign jurisdictions;
- Design economic development delivery model options that help Manitoba achieve its objectives and priorities for rural development;
- Deliver a written report that details the results of consultations with stakeholders, Canadian and foreign economic development delivery models; an analysis of the current economic delivery model in Manitoba including its strengths, weaknesses and strategic considerations; and economic development delivery model options for Manitoba including a recommendation on the most suitable model, implementation considerations and risks.
- Meeting with the Government of Manitoba to present and discuss the written report referred to in this section.

LETTER OF TRANSMITTAL

The Hon. Rosann Wowchuk,
Minister,
Manitoba Agriculture, Food and Rural Initiatives
Winnipeg, Manitoba

Dear Minister Wowchuk,

Serby Consulting is pleased to report that it has performed the following as part of its activities to meet the terms of reference established by your department for a review of the economic development system in place in Manitoba:

- Review of previous public and private reports related to economic development systems in Manitoba;
- Examination of the current system;
- Meetings with economic development staff and leadership representing local, regional, municipal, First Nations, Métis and academic organizations and institutions;
- Meetings with government officials involved in economic development;
- Review of internal government policy strategies.

We note, from discussions with the stakeholders and the review of previous studies and strategies, that various entities in Manitoba have studied this topic extensively. We have been told by stakeholders that what is required is not more studies, but to move forward, with the Government of Manitoba and associated political leaders displaying the political will to bring about change.

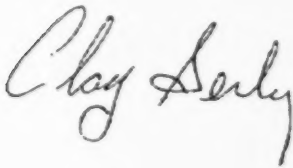
Ultimately, building a new rural Manitoba economic development strategy will only be possible if government provides adequate multi-year commitments to core funding and human resources.

It is also essential that accountability mechanisms, clear processes, key objectives and benchmarks are established as part of any new framework to be adopted.

The report contains results of broad-based consultations involving key stakeholders. Our discussions identified strengths, weaknesses, issues, attitudes, plans and wish lists, which together form the basis for opportunities for change, outlined here for consideration by the Minister and the Government of Manitoba.

Serby Consulting is available to discuss any parts of this report as desired.

Respectfully submitted,

A handwritten signature in cursive script, reading "Clay Serby". The signature is written in dark ink and is positioned above the printed name and title.

Clay Serby
President, Serby Consulting

BACKGROUND

In the past five years, two public reports dealing with economic development in Manitoba have been released:

Creating a Vision, a report by the Association of Manitoba Municipalities;

Creating Opportunities, a report by a four-member provincial government-appointed taskforce.

In 2008 the Government of Manitoba also highlighted its goals and objectives to grow and strengthen Manitoba's economy in the documents Manitoba's Action Strategy for Economic Growth, and Moving Forward: Manitoba's Priorities for the Future.

Much is happening in Manitoba on the economic front, but there is widespread agreement in both the private and public sectors that a great deal more is possible.

Previous reports identified a number of barriers to economic development:



The reports also identified major opportunities in the areas of:

1. Alternative energy
2. Tourism
3. Agriculture
4. Natural Resources
5. Industry – services and manufacturing
6. Aboriginal and northern

The report by the Association of Manitoba Municipalities also speaks to the same barriers, but goes further to suggest the province is handicapped in its economic development work by the lack of a clear vision and strategies. It concludes Manitoba needs strengthened regional and community models, greater co-ordination and co-operation, joint planning, and a resolution to duplication by addressing organizational mandates.

Although the report did an excellent job of examining the strengths and weaknesses of the system by highlighting the barriers, it did not deal with the fundamental issue of how to address the barriers and existing structures in order to attain the greatest growth and success in rural and northern Manitoba.

Serby Consulting engaged in discussion with stakeholders and governance representatives to address the actions needed to rectify the barriers, but more importantly, to find solutions within the existing structure by establishing a process to create a model that will lead to a system with greater connectivity among organizations, communities and governing authorities.

Serby Consulting took its lead from these words by Minister Wowchuk in the Creating Opportunities consultations:

"I heard very clearly that while there are barriers to overcome in achieving new economic opportunities, by working together and being innovative there's no end to what we can accomplish."

*Rosann Wowchuk,
Minister of Agriculture, Food and Rural Initiatives.*

STAKEHOLDER DIALOGUE

Consultations were conducted with the following stakeholders and representatives of various levels of government:

- ❖ Asessippi Parkland Economic Development Corporation
- ❖ Assembly of Manitoba Chiefs staff
- ❖ Association des municipalites bilingues du Manitoba
- ❖ Association of Manitoba Municipalities
- ❖ CDEM (Economic Development Council for Manitoba Bilingual Municipalities)
- ❖ Communities Economic Development Fund
- ❖ Community and Economic Development Committee of Cabinet
- ❖ Community Futures Manitoba
- ❖ Community Futures West Interlake
- ❖ Dakota Ojibway Community Futures Development Corporation
- ❖ Economic Developers Association of Manitoba
- ❖ First Peoples Economic Growth Fund
- ❖ Interlake Reserves Tribal Council
- ❖ Island Lake Tribal Council
- ❖ Louis Riel Capital Corp
- ❖ Manitoba Aboriginal and Northern Affairs
- ❖ Manitoba Advanced Education and Literacy
- ❖ Manitoba Agriculture Food and Rural Initiatives
- ❖ Manitoba Chambers of Commerce
- ❖ Manitoba Competitiveness Training and Trade
- ❖ Manitoba Co-operatives Association
- ❖ Manitoba Culture, Heritage, Tourism and Sport
- ❖ Manitoba Education Citizenship and Youth
- ❖ Manitoba Labour and Immigration
- ❖ Manitoba Métis Federation
- ❖ Northern Association of Community Councils
- ❖ NorMan Regional Development
- ❖ Rural Development Institute, Brandon University
- ❖ Southeast Communities Futures Development Corporation
- ❖ Tribal Wi-Chi-Way-Win Capital Corporation
- ❖ Woodlands Community Economic Development
- ❖ Women's Enterprise Centre

FOCUS OF THE STAKEHOLDER DIALOGUE SESSIONS

Discussion with the various groups focused on the following areas:

- What are the components or required tools for economic development?
- Who's involved in current operational model?
- What's working well within the current model of economic development?
- What needs to change or be redesigned to improve the economic development opportunities?
- What are the key opportunities for progress?

COMPONENTS OF ECONOMIC DEVELOPMENT

Stakeholder groups were asked to list the critical components that define economic development. The following components are presented in random order:

- Growth and sustainability
- Support for business
- Balance between people and business
- Personal and community investment, with recognition of risk
- Creativity, innovation and diversity
- Human capital
- Import/export
- The marketplace
- Entrepreneurship
- Leadership
- Focus on planning
- Education and training
- Availability of infrastructure and services, including roads, utilities, bandwidth, research, workforce, financial, education and healthcare facilities
- Perception of the community, including confidence and comfort level
- Partnerships
- Financial resources
- Innovation
- Community support and engagement
- Community development
- Private sector
- Inventory and facility capacity
- Physical and technological infrastructure
- Positive attitude
- Vision
- Positive taxation environment
- Government support
- Healthy and productive lifestyle
- Local resources
- Community involvement and empowerment
- Mutual support and partnerships (with governments and others)

CENTRAL THEMES

In our discussions with stakeholders, and further thoughts provided in written comments, five themes emerged as having major impact on the ability to strengthen economic development work at all levels. A number of solutions were also suggested.

- Shared vision and co-operation
- Communication
- Confusing multiplicity of organizations and government departments doing economic development work
- Local involvement
- Longer term financial commitments

The following pages describe, in some detail, the concerns of those who participated in the consultation process as it relates to these themes. Also included are the broad concepts that were suggested as the beginnings of solutions. The recommendations later in this report draw largely on these themes and suggestions to assist in building a more effective economic development structure in Manitoba.

"Participants not only detailed shortcoming and problems they see within the existing system, but we are pleased and grateful that they were very willing to provide constructive suggestions for improvement."

*Clay Serby
Serby Consulting*

SHARED VISION AND CO-OPERATION

There is agreement that the existing economic development organizations liaise, but there is no real mechanism in place to work together, largely because they report to different levels of government, or to different departments within the provincial government.

At the policy level within the four levels of government (federal, provincial, municipal and aboriginal) there needs to be a commitment and mandate for organizations to work together and minimize duplication. The reality is that this may require incentives and concessions, primarily by the provincial government as the most direct beneficiary, to encourage joint action.

The lack of central leadership in economic development has resulted in the work becoming too widely spread across too many provincial departments. Departments have established or expanded economic development programming in isolation. There is a need for greater central policy and evaluation of program structures and objectives.

The Community and Economic Development Committee of Cabinet is seen as having no authority and is not seen, by those who work in the economic development field, to have clearly defined a vision for economic development, and related priorities for the province.

The economic development process needs a strong local presence to develop local visions, which are then included in regional and provincial visions and strategies. Establishing strong linkages between the local/regional and provincial levels requires a provincial group that draws from local/regional groups to develop this provincial strategy. This **provincial strategy group** must have the resources and authority to make it happen.

Establishing and monitoring this shared vision will require this umbrella economic development strategy group to help further define the vision, develop provincial strategies, co-ordinate the work of the stakeholders, communicate internally and externally, and do continuous evaluation.

The provincial strategy group will be the keeper of the inventory of all programs, projects and activities to ensure there is no duplication, and to ensure that economic development works towards a common goal.

Existing local and regional economic development entities need to be involved in the design of the provincial strategy group; it can't be imposed from the top down because success will depend on local champions and advocates supporting these changes and ensuring that local economic development takes a wider view.

It is suggested that local entities feed information and ideas to the regional structure, and from there to the provincial strategy group to ensure the development of common shared visions.

Leaders from all aboriginal and non-aboriginal economic development groups need to meet together regularly to share information and resolve issues; there is no structure in place for that at present. Representation at the provincial strategy table will provide that opportunity.

At the regional level, economic development organizations (including First Nations and Métis) also need to co-ordinate efforts. There is currently no structure in place for that process.

Conceptually, all players (four levels of government, tribal councils, RDCs, CDCs, Go Teams, CFs, Métis etc.) are seen as needing to be within one circle to develop the framework for strategic development, drive projects, share information, resolve issues, and monitor activity and accountability. The role of governments is seen as leadership, not bureaucracy; support, not directives; partner, not dictator.

The Manitoba Métis Federation (MMF) intends to establish its own economic development system and offices across the province once it fully implements its recently-developed strategy. The MMF feels that existing services are not delivered in a culturally-appropriate manner, resulting in a lack of trust. They feel they are not duplicating services because Métis people are not being served now. Existing structures require proponents to compete for funding but Métis people can't compete with

others seeking funding because 70 per cent are in small depressed communities that don't qualify for assistance, particularly for equity funding. When their system is established, Métis economic development staff in the field will work with existing programs and funding sources and utilize them. Partnerships with equals are important to the MMF, but they need to be equal partners. MMF is the elected government that will develop programs for Métis people and deliver them.

Representatives of The Assembly of Manitoba Chiefs described there are three levels -- the bands, the tribal councils and the provincial Assembly – who currently have the structure to enhance their economic development work. Further, recent financial commitments by the Province will enable them to utilize that structure to enhance their opportunities for growth and development.

COMMUNICATION

There is a need for greater sharing of information about best practices, projects, processes, and activities. There needs to be a refocus by all participants in economic development to open up communication across departments and organizations. While there are many partnerships and networks in place, what is lacking is a central leading entity that ensures, among other things, a sharing of information.

We are in the information age, but we lack a strategy, the will and the means for better communication when it comes to community and economic development. Sharing of information would be greatly assisted by better access to technology and the Internet, and access to the knowledge needed to use it.

There is considerable duplication, turf protection and non-disclosure of details and knowledge within the economic development community, including government. Not knowing what the right and left hands are doing results in grassroots staff and volunteers, and clients, being confused and/or stalled in their work and projects.

MULTIPLICITY OF DEPARTMENTS AND ORGANIZATIONS IN ECONOMIC DEVELOPMENT

The province is viewed as having too many organizations doing economic development work, especially within the provincial government. As a result there is much perceived duplication and overlap of programs and services, and there is much confusion within the client base, and grassroots staff, about where to go and who does what.

Government staff perceives inequity in staffing, resources and funding within departments of government as it relates to economic and community development. The perception is that often more staff is allocated to management than there needs to be, to the detriment of having more people involved on the ground.

Mandates are seen as too broad and/or too greatly expanded, diluting the economic development effort as a whole.

There is a consensus that government cannot do economic development, but can provide resources, can be a partner, must ensure that regulations and rules are current, and must ensure that the regulatory process “gets out of the way”.

Government is seen as wanting “big” development so it can be seen as the leader in growth in the province, which often results in many smaller clients being ignored. It also minimizes local autonomy and efforts.

The ideal solution is seen as a single window entity which oversees all economic development work in the province. If this is not possible, a single window delivering services to business through collaboration and partnerships involving both government and non-government organizations (incorporating all levels of government) is seen as the best alternative, with the understanding that the single window model covers all regions of the province.

Government can and does support economic development through various programs and services but changes need to occur: processes need to be streamlined; the bureaucracy needs to be streamlined; response time needs to be reasonable when a business and/or community is accessing programs; contacts within government need to be clearly defined, and focus must be placed initially on clients, their needs, and the programs and services that assist them.

MAFRI or the lead government department on economic development has the opportunity to be a champion for entrepreneurs, steering them through the government bureaucracy, because many of the things that affect economic development and entrepreneurship are beyond the influence and control of our communities.

Government program support must be flexible and adaptable. One approach will not fit all. It is not uncommon for communities to have to structure projects simply to fit within government programs.

LOCAL INVOLVEMENT

Local communities are not without their own challenges when it comes to organizing and operating economic development processes and project. They need to take responsibility for economic development in order to see progress at the local level.

“Community” must be recognized as being wider than our own hometown: community can be clusters, corridors or regions. Feelings of local protectionism must be overcome, since they prevent projects happening at a regional level, and can lead to a competitive attitude instead of a co-operative one.

Smaller rural communities wanting to do economic development face a number of challenges: ideally the organizations should be “as close to home” as possible, but local organizations may not have the capacity to have meaningful budgets, human resources beyond well-meaning but

untrained volunteers, and the necessary linkages to other organizations; The continuing divide between federal and provincial programs is not helpful for people on the ground in organizations doing the work; there is a lack of planning with a regional scope--community focus is great but individual communities often don't have the resources to carry forward with projects, and many existing organizations don't have the ability to lead a regional dialogue because of a "what's in it for me" attitude among neighbouring communities. However, more recently there appears to be more of an appetite for regional collaboration.

Regional cooperation has worked and continues to work for fire protection, conservation areas, regional planning, recreation districts and similar programs, but does not have the same degree of acceptance for education, health care and economic development. However, a regional structure that is built from the ground up with local input and representation has a much better chance of gaining support from the municipalities.

If a new system is built from the ground up, it will have the necessary trust to earn greater participation by the municipalities and other local organizations. If a new system is imposed by the provincial government, it will be met by scepticism.

A central repository of projects and processes would be helpful to reduce competition for funding and to be the first to get a project off the ground. A more focussed approach to economic development and funding is needed so regional projects receive the support required to get them off the ground and be sustainable, instead of remaining forever in the development stage.

If there is "one body at the top" and a regional structure beneath that, there must be respect for common language and cultural "regions" (i.e. a francophone, Métis, First Nations, etc.) rather than limiting our thinking about regions as being only geographic structures.

If communities and regions are to be an integral part of the structure, multi-party funding (municipal, federal, provincial and aboriginal) needs to be looked at.

The resources exist at the community and regional levels within existing agencies. However, all too often the province wants the control, but in many cases lacks the local knowledge, experience and relationships/networks to deliver. Government must partner with those who are doing the work at the grassroots level.

LONGER TERM FINANCIAL COMMITMENTS

Economic development organizations need sufficient core funding to maintain an office and staff so they don't have to concentrate staff resources on finding additional funding that will allow them to do the actual work. Traditionally governments will fund projects, not processes. However, Community Futures funds offices and staff, which tends to make the economic development work happen more easily.

It would be helpful to have a long-term funding commitment by government instead of annual commitments which don't provide stability, and lead to the inability to spread projects over more than one funding year.

At the same time, there needs to be a means to measure the results of economic development work and funding, to ensure accountability and measure the return on investment achieved for all funders, recognizing that economic development does not deliver instant results in most instances.

There needs to be an economic development financial pool available to qualified projects, preferably a single funding envelope that is defined, managed and available at the regional level. Most economic development organizations do not have the ability "to prime the pump" to help projects get started. Tax credits, while in place for successful projects, are also required at the pre-operational stage to ensure that projects with high potential find the necessary financial resources.

Also required is a means to balance financial discrepancies, especially in availability of equity funding and support. First Nations have started to set up financial programs, little support for equity is available to Métis clients, while non-aboriginals have access to the traditional banking

system, a system that requires equity to obtain additional funding. This system largely precludes First Nations and Métis people, who generally do not have equity that can be pledged to a project.

There is an overriding need in the tourism industry, which has potential in rural areas, for product development funding. There is funding for marketing, but none for product development.

OTHER THOUGHTS AND OPINIONS

Outside the themes explored above, participants expressed a many other valuable and valid concern and suggested changes. Serby Consulting feels these are relevant to the process, and the future direction recommended:

- We must respect the diversity and needs of all regions, including north and south, and all sectors and communities. Consequently it is necessary to develop separate strategies for Northern Manitoba and the rural south. The north has different challenges than rural in areas such as infrastructure, human resources, and physical access.
- Regulatory processes must be simplified and coordinated. They must be more user-friendly and adopt an attitude of service.
- Infrastructure in rural areas must be enhanced and maintained as a prerequisite to attracting economic development. This is a local responsibility as much as a provincial one.
- There is willingness in rural Manitoba to discuss change.
- There can be no meaningful change without strong political will.
- Develop a Manitoba-made brand reinforcing Manitoba product development, support for new opportunities and demonstrate Manitoba as a high quality brand.

- Successful communities have undertaken leadership development, particularly building capacity in youth and municipal leaders; without leaders at the community or business level, not a lot happens.
- Development of a well-trained workforce and entrepreneurs is vital to success.
- Schools should teach entrepreneurship as a career option.
- Economic development is such an all-encompassing topic with no formula for success that it is challenging to identify one answer to the issue. But at some point we have to decide and move forward with a plan of action, knowing that it may not be a perfect solution but one that will evolve.
- Need to work with existing businesses to identify growth opportunities; they are key; new business starts will follow existing business growth.
- Growth cannot happen without the human capital/labour force component. The rural population is shrinking, fertility rates are down, and we are faced with aging, and rural-urban migration. It is critical to emphasize the immigration/population side of the equation. We need to recruit the labour force needed for economic and community development.
- There is a need for professional development for economic development staff. Those working in this field should be required to meet benchmarks of qualifications that are generally accepted by the profession.

WHO'S INVOLVED IN THE CURRENT OPERATIONAL MODEL?

During the consultation meetings, participants assisted in listing the government and community-based organizations that are involved in economic development work. This is not intended to be an exhaustive list, but is based on the knowledge and involvement of meeting participants.

Governments

- Communities Economic Development Fund
- Manitoba Agriculture, Food and Rural Initiatives
- Agriculture Canada
- Manitoba Competitiveness, Training and Trade
- Manitoba Science, Technology, Energy and Mines
- Crown corporations
- Community and Economic Development Committee of Cabinet)
- Manitoba Aboriginal and Northern Affairs
- Manitoba Education, Citizenship and Youth
- Manitoba Labour and Immigration
- Western Diversification
- Farm Credit Corporation
- Indian and Northern Affairs Canada
- Industry Canada
- Natural Resources Canada
- Federal and provincial departments responsible for housing
- Manitoba Métis Federation
- Rural Development Institute
- Assembly of Manitoba Chiefs



Given the number of organizations identified, the following questions were raised:

Who is the lead in government on economic development?

Who measures success?

Who is the caretaker or coordinator of the provincial economic development inventory?

Who defines the roles of participants to avoid duplication?

Community-based

- Council for Economic Development for Manitoba Bilingual Municipalities
- Association of Manitoba Municipalities
- Economic Developers Association of Manitoba
- Community Futures
- Northern Association of Community Councils
- Regional Development Corporations
- Community Development Corporations
- Tourism regions
- Manitoba and local Chambers of Commerce
- Women's Enterprise Centre
- Aboriginal Capital Corporations
- Community Economic Development Offices
- First Nations Tribal Councils
- Aboriginal capital corporations and funds

	Loans / Guarantees	Workforce training / support	Facilitation / Coordination	Counselling	Capacity building	Village support	Strategy development	Interdept coordination	Immigration	Community economic development	Business startup support	Aboriginal support
Agriculture Food and Rural Initiatives												
Competitiveness Training and Trade												
Labour and Immigration												
Culture Heritage Tourism and Sports												
Travel Manitoba												
Aboriginal and Northern Affairs												
Advance Education and Literacy												
Education Citizenship and Youth												
Community & Economic Development Committee of Cabinet												
Community Futures Manitoba												
Regional Development Corporations												
Community Development Corporations												
Manitoba Chambers of Commerce												
Economic Development Council for Bilingual Municipalities												
Women's Enterprise Centre												
Association of Manitoba Municipalities												
Economic Developers Association of Manitoba												
Northern Association of Community Councils												
Community Economic Development Fund												
Tribal M. Chi-Way-Win Capital Corporation												
Louis Riel Capital Corp												
Manitoba Economic Development Advisory Committee												
First Peoples Economic Growth Fund												
Manitoba Mews Federation												
Island Lake Tribal Council												
Interlake Tribal Council												
Assembly of Manitoba Chiefs												
Southeast Community Futures Development Corporation												
Dakota-Ojibway Community Futures Development Corp												

PRIMARY FUNCTIONS

Based on primary functions and activities of the participating organizations, which they self-defined during round-table discussions, the chart at left was created. It shows areas of overlap, as well as areas of where there is less activity.

	Loans / Guarantees	Workforce training / support	Facilitation / Coordination	Counselling	Capacity building	Village support	Strategy development	Interdep't coordination	Immigration	Community economic development	Business startup support	Aboriginal support
Agriculture Food and Rural Initiatives												
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Culture Heritage Tourism and Sports												
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Interlake Tribal Council												
Assembly of Manitoba Chiefs												
Southeast Community Futures Development Corporation												
Dakotah Ojibway Community Futures Development Corp												

PRIMARY FUNCTIONS
Based on primary functions and activities of the participating organizations, which they self-defined during round-table discussions, the chart at left was created. It shows areas of overlap, as well as areas of where there is less activity.

WHAT TOOLS ARE REQUIRED FOR ECONOMIC DEVELOPMENT?

Within groups engaged in the discussion there was consensus that a number of essential tools are required to achieve success in economic development.

PREREQUISITES

- A focus on planning, education and training.
- Partnerships that drive success, coupled with community support and engagement.
- Entrepreneurship, including a focus on import and export opportunities.
- Strong leadership and support from government, together with positive taxation environment.
- A strong infrastructure base on which to build.

ESSENTIAL ELEMENTS

Discussions at every table identified that too often rural communities are lobbying, planning and duplicating projects that are in competition with one another, without knowing that this is taking place.

There is frustration that much time and hard-earned community investment and volunteer resources are consumed in these efforts. Coordination of resources at a regional level would assist greatly to enable a better integrated process.

Leadership of the economic development file is essential. It is imperative to ensure coordination and also ensure that autonomy of each jurisdiction is preserved and receives the appropriate resources and recognition for economic opportunities to benefit all.

"There is too much duplication, protecting turf and non-disclosure of details and knowledge. Communication and knowing what the right and left hand are doing seems to be an issue. When there are too many players on the same field, the end users or grassroots people get confused or stalled in the process."

"Ideally the solution would be a single window department which oversees all the economic development work in the province. If this is not possible then look at a single window of services to business through collaboration and partnerships involving both government and non-government organizations. The single window model must cover all the regions of the province."

*Comments by
discussion group
participants*

SUCCESSSES

The discussion groups were asked to list the successes within the economic development system. It was somewhat surprising that the participants struggled to provide examples. It was our expectation that this would be a more exhaustive list. The successes provided by the participants were:

- BizPal web site
- Community Futures being based on grassroots decision making
- Manitoba having a good mix of financial programs
- Manitoba Economic Development Advisory Committee (MEDAC)
- The willingness of local credit unions to be partners in efforts to leverage funds for local projects

"Communities need to take responsibility for economic development in order to see progress at the local level. Government can and does support this through various programs and services but changes need to occur: processes need to be streamlined; bureaucracy needs to be streamlined; response time needs to be reasonable when business and community is accessing programs; contacts within government need to be clearly defined."

Comment by discussion group participants

OPPORTUNITIES FOR PROGRESS

Stakeholders were asked to list and rank key economic development opportunities in Manitoba. The following list is ranked in order, with the top eight identified as the best opportunities:

TOP OPPORTUNITIES:

- Workforce recruitment and coordination, including immigration, aboriginal and disenfranchised, family support for population growth
- Information technology and communication, including infrastructure and ensuring Manitobans have the necessary knowledge to it
- Tourism promotion and infrastructure development, with emphasis on aboriginal tourism
- Agricultural value-added at the local level, micro enterprises
- Value added resource development, including non-timber forest products (herbs, furniture etc.)
- Green manufacturing and processing
- Education and training
- Economic development training for communities

SECONDARY OPPORTUNITIES:

- Entrepreneurial support
- Research and development/innovation
- Energy development (hydro and wind)
- Bio-products as petroleum replacement
- Enhanced labour mobility, particularly between north and south
- Northern housing development
- Urban reserves
- Gaming and associated services

KEY CONSIDERATIONS

Consultation meetings with stakeholder groups, written submissions received from stakeholders, as well as more detailed discussions with the Association of Manitoba Municipalities, the Manitoba Métis Federation, and the Rural Development Institute (a request for a meeting with the Assembly of Manitoba Chiefs was declined) point to four key considerations in any recommendations to bring about an improved economic development model:

1. North and Rural South

While Serby Consulting was originally engaged to examine economic development in Northern and Rural Manitoba, it has been made clear to us that those two have vastly different conditions, issues and realities, and that one prescription will not suit both regions. The particular issues of the North were alluded to by those who took part as representatives of that region.

However, there was not sufficient representation to gain a large enough overview to allow us to make specific recommendations pertaining to the north, and the issues in the north are generally so vastly different than the issues of the rural south that recommendations pertaining to the south may not suffice for the north.

2. Economic development is best served if governments at all levels participate and co-operate

Economic development is a process that is specific to locations and sectors, and will occur where the proponents are best able to find the key ingredients to maximize their opportunities: labour force, raw material, financial support and markets or the means to get goods to the markets. Economic development, as a process, is largely blind to government, except as it pertains to taxation and support policies, and cares little which level of government takes the lead as long as the regulatory processes affecting it are clear and reasonable.

From the perspective of governments, however, economic development is largely driven by the need to connect with communities and regions. Competition among governments (including local or regional bodies) can be counter-productive if it leads to turf protection, attempts to steer projects to certain locations, and confusion over regulation and support programs, to name only a few aspects that can drive away projects.

3. Single window delivery system has many benefits

All stakeholders identified the need to have one entry point for entrepreneurs and project proponents so that duplication can be addressed and limited resources utilized in the best manner. This approach is seen to strengthen coordination and communication, as well as improve accountability and prioritization mechanisms. Further to item 2 above, the province will be better served if the provincial government initiates discussion with other jurisdictional levels (federal government, First Nations, Métis, municipalities) to encourage them to be part of single window development model.

4. Regional structures provide for strong economic development

Managing future economic development structures through a regional delivery system is preferred. This is not a new concept for Manitoba as regional structures already exist with Community Futures, Regional Development Corporations, Manitoba Metis Federation, First Nations, departments of governments, the education system and other entities. A more formal regionally-based economic development system would significantly strengthen communities, coordination, professional expertise and the ability to leverage funding. All previous reports dealing with economic development in Manitoba speak to the need to design a regional model to deliver economic development.

RECOMMENDATIONS

1. Establish a comprehensive regional economic development system based on a federation model

To achieve the model that is seen as fulfilling the overriding need -- a single window of delivery of economic development services in Manitoba -- provincial economic development organizations need to be organized as a federation, instead of an amalgamation of those already working in that field.

A federation will, at the regional level, have co-location of resources, but the participating organizations will maintain their own identities and reporting processes. This model will broaden co-operation and encourage organizations to work together in new and different ways, knowing they are part of a structure that will assist them, and not threaten them.

This will provide opportunity for all economic development service providers to co-locate, and give local communities a clearer role and mandate at the community level. Local organizations may choose to continue to exist with staff or only volunteers, and will represent the views of their community within the region.

A federation model has all human and other resources dedicated to economic development under one umbrella, but is not governed by one source. Priorities and programs will continue to be established by those who best understand the needs of the various client groups.

In larger communities, First Nations, Metis, women and visible minorities have the scope and resources to have their own organizations. However, in rural settings, any one of the current existing organizations often aren't able to adequately serve all of the special client groups. A larger, better funded federation with strong regional presences, and which enjoys

the participation of all governance entities, will be able to provide the staff, funding and other resources for those who have special requirements, under a single roof.

The federation needs to concentrate on community economic development. The need is for both community development and economic development, which are closely interrelated and impossible to separate. Local residents have a legitimate interest in what happens in their communities, and the impact of economic development on their community.

Participation in a federation model cannot be mandated. If it is mandated or imposed, there will not be meaningful participation. There need to be incentives, including financial and potential for success, for people to sit at that table and participate.

2. Establish a provincial “umbrella” group to guide, track, co-ordinate and evaluate economic development work in Manitoba

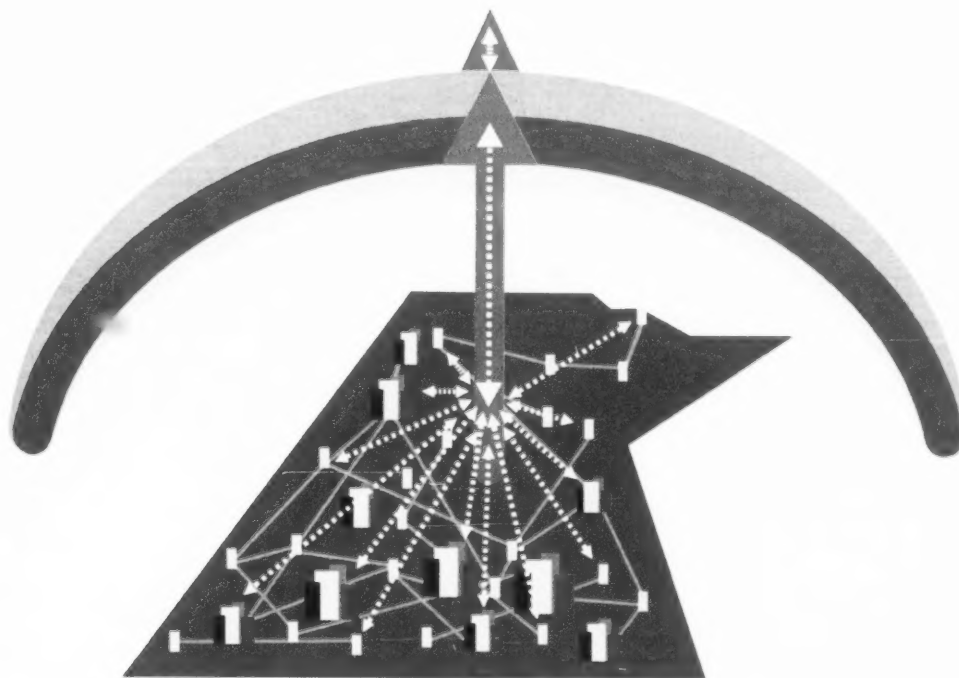
The members of the provincial umbrella group will be selected on the basis of nominations from the grass roots, with the task and authority to:

- Be the keepers of the provincial economic development projects inventory;
- Co-ordinate efforts to avoid duplication in the pursuit of opportunities;
- Measure success;
- Monitor accountability; and
- Recommend that governing bodies and/or higher level funders become involved in projects when and where required.

The umbrella group concept evolves from the regional system recommended above, to ensure that it continues to be closely aligned with grass roots organizations. This group will be supported financially and administratively by the provincial government, but will act as an independent body responsible firstly to the economic development community which it serves, guides and co-ordinates.

The group would have representation from all governing bodies including the provincial government, and the grass roots delivery organizations, to ensure it widely reflects those in the system, and to ensure that it has their support, respect and co-operation.

It is not the intent that the overseeing body supersedes the work or authority of any table established by the Minister and her peers to further economic development throughout Manitoba, or of the Cabinet Committee on Economic Development which will continue to have responsibility for mega projects. However, in a new model there will be a mechanism for ongoing exchanges of information between a coordinating resource and these other bodies.



Why an umbrella? The umbrella represents the concept that a widely-representative body must cover the province, as suggested by the discussion group participants. But this umbrella is only useful if there are strong hands on the handle to keep it upright, to support it, and to provide direction. Those hands belong to the people on the ground in the regions and communities throughout the province.

3. Conduct a targeted process as the next step in addressing the needs of the North

To address the needs of Northern Manitoba, appoint a similar working group of Northern people involved in economic development to review in general the findings of this report, to determine what further consultation is required in the north, and to determine ways to create a distinct model that meets the specific needs of the North.

NEXT STEPS

It is crucial that a credible delivery model blends economic and social objectives towards building a stronger province for all Manitobans. If the model recommended in this report is accepted, these follow-up steps are recommended to bring about its implementation.

These next steps take into account the need for the new system to be designed at the grassroots level using a bottom-up approach; imposition by government will not be acceptable to those at the regional and local levels that deliver the services.

1. The Minister invites those involved in the consultation process to a one-day meeting where Serby Consulting outlines the proposed model (subject to necessary revisions following presentation to the Minister), and the Minister announces her commitment to the next steps. This will immediately define this process as one of positive action, negating the fear and expectation, strongly expressed during the consultation process, that this is just one more report that will not lead to action, and diminish the notion that this will be a top-down process.
2. The Minister appoints a 12 to 16-member grass roots working group representing all relevant organizations currently involved in economic development in rural Manitoba (including the provincial government). This working group will be charged with the responsibility, within reasonable timelines and budget, of developing the federation model, including the makeup and broad responsibilities of the advisory committee, to meet the economic development needs of the province and its various communities.

3. The Minister, at the same time, engages in a consultation process with the federal government, First Nations, Métis, other provincial ministers/departments, and the municipalities' organization, to seek support for a new way of doing things that will connect all who are involved in economic development in Manitoba.

4. On the completion of the work of the working group, complemented by the Minister's engagement with other governments, the new model is delivered to the Minister to be reviewed by the Minister and her peers. When accepted, this is followed by a series of regional meetings to provide specific details to regions and communities.

APPENDICES

APPENDIX A:

SCHEDULE OF MEETINGS WITH STAKEHOLDERS

Wednesday, September 24 – Brandon

Rural Development Institute

Thursday, September 25 – Winnipeg

Manitoba Government Departments

(Federal government departments were invited, but declined because of the federal election)

Friday, September 26 – Winnipeg

Non-Government Economic Development Agencies

Tuesday, September 30 – Winnipeg

Aboriginal Economic Development Delivers

Tuesday, October 21 – Portage la Prairie

Association of Manitoba Municipalities

Wednesday, October 22 – Winnipeg

Manitoba Métis Federation

APPENDIX B:

ECONOMIC DEVELOPMENT SYSTEMS IN OTHER JURISDICTIONS

The following models for economic development in various jurisdictions are ones to which we have had exposure in our work in the area of economic development system modelling and design:

1) American Economic Group: Washington D.C.

www.americaneeconomics.com

- * Program analysis
- * Business, government, community agency
- * Tax policy and incentives

2) Greenville, South Carolina

www.greatergreenville.com

www.greatergreenville.com/development/forms/greenville_strategy.pdf

- * Organizational design
- * Community strategic planning
- * Incentives and enhancement policy

3) Saskatchewan Economic Development Design and Modelling

Personal leadership by Clay Serby and Dick DeRyk

- * Action Committee on Rural Economy
- * Regional Economic Development Committee

4) Sask. Trends Monitor: Saskatchewan

www.sasktrends.ca

- * Demographic research

5) Ministers' Committee on Economic Development: Government of Saskatchewan

Personal leadership by Clay Serby

- * Co-ordination of macro and micro projects
- * Regional and provincial project prioritization
- * Assignment of lead department
- * Provincial accountability mechanism

6) Creating a Vision, a report by the Association of Manitoba Municipalities

7) Creating Opportunities, a report by a four-member provincial government-appointed taskforce.





